

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
STEPHEN T KRUMDICK,) CASE NO. 07-23440 JPK
) Chapter 13
Debtor.)

ORDER FOR HEARING CONCERNING AMENDED
MOTION TO ALLOW SALE OF PROPERTY FREE AND
CLEAR OF LIENS ("MOTION")

The Motion was filed on August 4, 2008. The Motion requests the court's approval of sale of property located at 829 Sibley Street, Hammond, Indiana, pursuant to the terms of a contract attached to the Motion as Exhibit "A". The purchaser stated in the contract is "Shirley Hunter", and the consideration stated in the contract is \$90,000.00. Attached to the contract is a one-page document entitled "Sales Disclosures". This document states that the purchaser is actually "A Peculiar People International Ministries" and states that the purchase price of \$90,000.00 will depend upon sale of tickets, which could reduce the purchase price to \$70,000.00. Paragraph 5 of the Motion states the following: "Except for extensions of time, Debtor anticipates very little variation in the contract". The Motion further states that the buyer is "International People's Ministries". The Motion, in paragraph 9, further provides that distribution of the sales proceeds is to be made, as a third priority, to any judgments; that the fourth priority distribution will be to the mortgagee creditor with respect to the real estate, Horizon Bank; and that distribution from the closing will be made to counsel Andrew L. Kraemer for attorney's fees, "only after approval of the Bankruptcy Court". After distribution in five priority levels as provided for by paragraph 9 of the Motion, the Motion suggests that the balance of the proceeds will be paid to the Chapter 13 Trustee.

There are many things wrong with this Motion. First, the identity of the purchaser is not at all clear: as the record establishes at this point, the purchaser is Shirley Hunter, and yet the

documentation which requests the court's approval of the sale states variously that the purchaser might be "International People's Ministries" or might be "A Peculiar People International Ministries". It appears that the property has a fair market value of \$90,000.00; if not, why would the purchaser be willing to pay up to \$90,000.00 for the property. Yet, based upon contingencies of what are apparently raffle ticket sales, the purchase price may be as little as \$70,000.00. The Motion requests distribution of proceeds in a priority which places judgment lien creditors over what is apparently the mortgagee on the property. The Motion also states that it is proposed that attorney's fees will be disbursed from the proceeds of closing in advance of payment to the Chapter 13 Trustee, and yet there is no mechanism by which these attorney's fees can be computed or allowed.

IT IS ORDERED that a hearing will be held on the Motion on **September, 2008, at 1:00 P.M.**, to address the foregoing matters.

Dated at Hammond, Indiana on September 5, 2008.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:
Debtor, Attorney for Debtor
Trustee, US Trustee